TOKYO GAZETTE

A MONTHLY REPORT OF CURRENT POLICIES, OFFICIAL STATEMENTS AND STATISTICS

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ANNOUNCEMENT

The *TOKYO GAZETTE* is published monthly by the Foreign Affairs Association of Japan under the supervision of the Commission of Information.

The purpose of the publication is primarily to supply to the reading public in different parts of the world information as to the nature of problems being confronted today by the Japanese nation as a whole and of the governmental movements for coping with the situation.

The articles, findings, statistical and other materials contained in it are mainly selected on the ground of their national importance and international significance from the Weekly Report, the supplement to the Official Gazette, and represent their authentic English version in full or abridged.

The Weekly Report has maintained in Japan, since its first appearance in October, 1936, its rightful and unique place in the literature of information, with the accuracy and comprehensiveness of its exposition and data, particularly with reference to the social background, the motives and purposes of governmental policies and newly enacted laws.

The *TOKYO GAZETTE*, as the monthly English edition of the Weekly Report, endeavours to live up to the same standard in quality and usefulness, especially for the benefit of students of Japanese affairs all over the world.

So this first number is offered in the further hope that the publication will not merely eliminate unnecessary and unfortunate misunderstandings arising out of lack of adequate and accurate information, but contribute to the establishment among the nations of the world of lasting peace and goodwill based upon the mutual appreciation and understanding of their political and economic movements, together with their aspirations and problems.

JAPANESE SHIPPING

—A Survey of the Present Situation—

DEPARTMENT OF COMMUNICATIONS

THE significance of shipping as an essential factor in Japan's national life is apparent first of all in terms of communication and trade. Indeed, its absolute necessity in the existence of the nation as the means of transporting passengers, importing foodstuffs and raw materials, and exporting industrial products, thus to bring about the sound development of Japanese industry and to ensure harmonious operation of its economic activities, cannot be questioned. Even flying machines, developed as they are, will not seriously affect within the near future the usefulness of railways and merchant vessels. And upon the latter, Japan as an insular country depends entirely for communication and trade with the outside world. Furthermore, her vulnerability in the relation of natural resources to density of population necessitates that Japan develop herself as an industrial nation, and makes it inevitable that she endeavour to maintain and improve her shipping as a means of preserving her national existence.

Nor should the important contributions which are being made toward a balance of our international accounts by the revenue from shipping activities in terms of returns from freight and passenger services be overlooked in their relation to national economic policies. Heretofore Japan has been an importing country, and while this tendency has been corrected to an appreciable extent during recent years, it still remains a remote hope that she will become an exporting country instead, when the present situation of her industry and resources is considered. Accordingly it follows that the deficits in her international accounts must be made up by her so-called invisible exports, which include those revenues accruing from shipping and related activities. Taking, for example, the aggregate shipping income for the 1934-35 fiscal year, we see that this item actually amounted to over 250,000,000 yen ; and, after balancing the receipts and expenses, we note that a net profit amounting to 140,000,000 yen still remained. Thus our shipping, in comparison with staple products exported, held the third most important place in our international accounts for the same fiscal year, standing next to cotton textiles and raw silk, ahead of rayon and silk textiles. This fact illustrates the importance of shipping in this regard.

TABLE I. SHIPPING INCOME ON THE BALANCE OF INVISIBLE TRADE OF JAPAN

(In Thousand Yen)

Year	Entire Invisible Trade			Entire Invisible Trade			Balance	
	Total Receipts (A)	Receipts from Shipping (B)	Ratio of (B) to (A) (in per cent)	Total Payments (C)	Payments on account of Shipping (D)	Ratio of (D) to (C) (in per cent)	Net Income from Invisible Trade	Net Income from Shipping
1926	773,549	192,260	24.9	596,604	67,201	11.3	176,945	125,059
1927	719,335	199,470	27.7	657,880	67,005	10.2	61,455	132,465
1928	893,448	216,992	24.3	707,185	78,702	11.1	186,263	138,290
1929	976,371	238,534	24.4	881,542	79,359	9.0	94,829	159,175
1930	955,591	194,420	20.3	970,493	69,085	7.1	14,903 (a)	125,335
1931	886,338	166,911	18.8	1,035,382	66,270	6.4	149,044 (a)	100,641
1932	771,653	181,843	23.6	769,653	82,142	10.7	2,000	99,701
1933	986,795	231,810	23.5	897,970	105,748	11.8	88,825	126,062
1934	1,100,236	251,520	22.9	1,091,489	106,906	9.8	8,747	144,614

(a) indicates unfavourable balance.

Outline of Development

Thus Japan, conditioned by her particular geographical and economic circumstances, has gained her present position as one of the leading maritime powers of the world. It must be borne in mind, however, that our country had long failed in this field to seize the opportunities which knocked at her door before the Meiji era, in the early years of which we first succeeded in laying the foundation of shipping in modern terms. In those days the older countries of the West, such as Great Britain, the Netherlands, Spain, Portugal, France and Germany, with their efficient and superior shipping, had already been flying their flags across the seven seas. It was by no means an easy task, therefore, for Japanese shipping, in its infancy, to expand its navigation rights step by step, competing with the senior maritime nations of the West. The indefatigable endeavours on the part of our shipping interests, however, buttressed with governmental measures, have been able to produce such marks of progress as may be seen in the figures relating to total tonnage.

Keeping pace with the growth of national strength, tonnage of bottoms had gradually increased from some thirty thousand tons in the early years of the Meiji era (which began in 1868) to 2,996,000 tons in 1920, in the wake of the World War which proved to be the most powerful factor in the extraordinary expansion of world shipping. Since that time Japan has regularly maintained the third place among world maritime powers, next to Great Britain and the United States. Today Japanese bottoms, including those of overseas territories, total 5,300,000 tons, of which some 4,200,000 represent tonnage of steamships over 100 tons. These ships are placed on lines operating not only in near Oriental waters, but also in those washing the remote corners of Europe, North and South America, Australia and Africa, in order to meet the special needs arising from Japan's scarcity of natural resources. We must appreciate, in this connection, that the Japanese Government has long endeavoured to assist in the construction and improvement of ships and in the operation of routes, by means of protective and promotive measures pertinent to the changing conditions in the internal and external life of the nation.

Tonnage and Quality

The tonnage of Japanese bottoms has logically been determined by such factors as the volume of communications and trade. Take, for example, the volume of Japan's trade in 1934 which totalled 31,318,000 tons, representing 8.5 per cent of the volume of world

TABLE II. NUMBER AND GROSS TONNAGE OF MERCHANT VESSELS OF 100 TONS AND UPWARDS COMPILED FROM LLOYD'S REGISTER BOOK (JUNE, 1936)

Countries Where Owned	Number	Gross Tonnage
British Empire	9,079	20,172,983
Great Britain and Ireland	6,891	17,182,857
British Dominions	2,188	2,990,126
United States	3,021	11,905,281
Japan	2,367	4,215,690
Germany	2,085	3,708,202
Norway	1,857	4,053,655
France	1,340	2,972,979
Italy	1,072	3,056,753
Netherlands	1,408	2,507,354
Sweden	1,244	1,506,557
Greece	606	1,800,850
Spain	861	1,145,531
Denmark	695	1,134,029
Belgium	179	388,413
Brazil	282	475,298
Other Countries and countries not stated	3,100	4,961,310
Total	29,197	64,004,885

Sailing vessels are not included.

TABLE III. NUMBER AND GROSS TONNAGE OF JAPANESE VESSELS OF 100 TONS AND UPWARDS INCLUDING OVERSEAS TERRITORIES

Year	Number	Gross Tonnage	Year	Number	Gross Tonnage
1893	657	295,732	1917	14,314	2,755,047
1898	1,995	614,426	1922	18,571	4,514,345
1903	5,951	1,934,878	1926	19,080	4,928,889
1908	7,682	1,581,225	1931	20,456	5,258,534
1912	10,533	1,995,854	1936	21,101	5,259,393

TABLE IV. AGE OF VESSELS OF 100 TONS AND UPWARDS IN PRINCIPAL MARITIME COUNTRIES (In Thousand Tons)

Country	Under 10 Years Old		Under 20 Years Old		20 Years and Upwards		Total Tonnage
	Tonnage	Percentage	Tonnage	Percentage	Tonnage	Percentage	
Great Britain and Ireland	6,011	34.9	8,039	46.8	3,133	18.3	17,183
Brit. Dominions	839	28.1	994	33.2	1,157	38.7	2,990
U. S. A. (Sea)	894	9.5	7,002	74.2	1,538	16.3	9,434
„ (Lakes)	141	5.7	425	17.2	1,904	77.1	2,470
Japan	1,118	26.5	2,011	47.7	1,087	25.8	4,216
Germany	1,205	32.5	1,825	49.2	678	18.3	3,708
France	795	26.7	1,469	49.4	709	23.9	2,973
Italy	612	20.0	1,404	46.0	1,040	34.0	3,056
Netherlands	1,006	40.1	1,071	42.7	430	17.2	2,507
Norway	1,877	46.3	1,427	35.2	750	18.5	4,054

TABLE V. VESSELS OF 13 KNOTS AND UPWARDS OF PRINCIPAL MARITIME COUNTRIES COMPILED FROM LLOYD'S REGISTER BOOK (JUNE, 1936)

Class of Vessels / Country Where Owned	100 Gross Tons & Upwards		13 Knots and Upwards		Ratio of (b) to (a) in per cent
	Number	Gross Tonnage (a)	Number	Gross Tonnage (b)	
Great Britain	9,079	20,172,983	796	6,314,704	31.30
United States	3,021	11,905,281	278	1,819,286	15.28
Japan	2,367	4,215,690	135	892,287	21.17
France	1,340	2,972,979	131	1,140,250	39.02
Germany	2,085	3,708,202	128	1,147,483	30.94
Netherlands	1,408	2,507,354	109	907,602	36.19
Italy	1,072	3,056,753	94	831,812	27.21
Norway	1,857	4,053,655	68	297,873	7.35
Denmark	695	1,134,029	42	163,314	14.40
Sweden	1,244	1,506,557	33	178,868	11.87
Spain	861	1,145,531	26	139,615	12.19
Greece	606	1,800,850	11	24,183	1.34
Other countries and countries not stated	3,561	5,825,021	90	389,561	6.69
Total	29,197	64,004,885	1,942	14,246,838	22.26

Sailing vessels are not included.

sea-borne trade, and 12.1 per cent, if calculated by weighting distances in sea transportation. For this volume Japanese bottoms totalled for the same year 4,072,000 tons, 6.21 per cent of the aggregate tonnage of world bottoms. Thus the inadequacy of Japanese tonnage in terms of the comparison between the aggregate volume of maritime trade and that of bottoms in the world is quite obvious. The increase of Japan's ships, therefore, can be accounted for as the means for satisfying her economic needs.

Since the carrying out in 1932 of the promotive measure in regard to the construction and improvement of ships with a view to helping our shipping out of a predicament of unprecedented nature, some 500,000 gross tons of old bottoms, representing over 10 per cent of the aggregate volume of Japanese bottoms are being scrapped, and at the same time superior types of vessels amounting to 300,000 gross tons are being constructed. This state of affairs is indubitably encouraging in actually effecting the qualitative improvement of Japanese bottoms. As a result, our shipping has steadily advanced on the road to recovery with hardly any vessel lying idle, while that of other countries is still far from turning the corner. Nor is our shipbuilding world without signs of life and recovery, indicative of the ripeness of the opportunity for Japanese shipping activities.

When, however, we look into the quality of our ships, we find approximately 1,000,000 gross tons in bottoms of 20 years of age, and some 890,000 tons in high-speed vessels capable of over 13 knots, the former representing 25 per cent and the latter 21 per cent of the aggregate tonnage of Japanese bottoms. As to vessels over 15,000 gross tons, we are in possession of but three; in reply to a question regarding vessels over 20,000 gross tons, our answer is simply negative.

Extension of Line

In the operation of lines, too, Japanese shipping had rather an insignificant beginning, with old bottoms engaging in tramp services. Not until recent years have regular services been developed, which, even now, are confined to lines which are indispensable and urgent for the maintenance of our communications and trade. Subsidies for operation of these newly developed lines amount annually to no more than 9,600,000 yen, an unimpressive figure when compared with the amounts so allocated by the principal powers.

Operating Subsidies of the Five Principal Powers

Japan	9,682,821 (Yen)	The United States	30,811,000 (Dollars)
France	405,650,000 (Francs)	Italy	285,585,000 (Lire)
Great Britain ...	887,000 (Pounds)		

One yen is approximately equivalent to 1s. 2d. and 28.5 cents.

The Wave of Protectionism

As we have stated in the previous pages, the place of shipping in the life of modern nations can not be emphasized too strongly. Various powers, therefore, have recently been competing, not only on the basis of strengthening their protective and promotive measures, but also by actually adopting policies designed to check the activities of foreign vessels by means of trade control measures such as the quota and import permit systems. Over the whole shipping world, therefore, the wave of protectionism seems to be sweeping. Following are certain of the outstanding measures undertaken by major powers :

1. **Great Britain**
   - A. Subsidies for Tramp Services
     This measure has been in operation since 1935 ; the annual amount of subsidies is 2,000,000 pounds.
   - B. Facilitating Low-Interest Loans for Ship Improvement
     This measure also has been in operation since 1935. It is designed to facilitate loans, conditional on scrapping old bottoms, and for constructing or remodelling superior types of vessels, at a rate of interest not higher than 3 per cent.

2. **The United States : New Shipping Subsidy Act of 1936**
   - A. The granting of a subsidy for each new construction amounting to between one-third and one-half of the cost.
   - B. The granting of a loan for each new construction equivalent to the original cost less 25 per cent and the amount representing the aforementioned subsidy, at an interest rate of 3.5 per cent.
   - C. In case differences should be found between the cost of domestic and foreign construction and between the operating costs of its own and foreign vessels, the Government may construct vessels for general charter purposes, in order to help ship operators to overcome such disadvantages.

3. **France**
   - A. Promotive Measures for Operating Lines under the " Tasso " Act (Navigation Encouragement Law)
     Subsidies totalling 140,000,000 francs annually are to be granted for maritime services, according to types and speed of vessels.
   - B. Under the Maritime Credit Law of 1933, 125,000,000 francs have been provided annually for loans on construction, remodelling, and purchase of ships, and for grants on interest.

4. **Italy**
   - A. Promotive Measures for Operating Lines (Navigation Encouragement Law)
     Since 1932, between 50,000,000 and 70,000,000 lire have been pro-

vided annually for granting subsidies according to tonnage, operating mileage, and age of ships.

B. Promotive Measures for Shipbuilding (Construction Bounties Law)
For the 12-year period, from 1926 to 1937, 684,000,000 lire have been appropriated for granting subsidies for construction, remodelling and repairing of ships according to speed, horse-power of engines, etc.

C. Measure for Facilitating Loans under the Maritime Credit Law
Since 1928, between 200,000,000 lire and 400,000,000 lire have been provided annually for loans for construction and purchase of ships, and for grants of 2.5 per cent of interest in the case of construction, and that of 1.0 per cent in the case of purchase.

Under the prevailing international economic situation, it appears inevitable that nations will strive to strengthen their respective merchant fleets, spending on them huge sums of money taken from their national treasuries. Shipping, however, is international in nature, and its traditional liberalism is fundamentally maintained throughout the world today, despite the tendency towards maritime nationalism. Accordingly, there is no country which, as a principle, places any kind of restriction on the foreign vessels touching its ports, except on coastwise trade.

Subsidy Programme

It has been noted that the major maritime powers have invariably been endeavouring to reinforce their shipping through means of governmental measures. What, then, are the measures adopted by our Government along the same lines? The answer will be found in the following statement of the programme which will be carried out in and after the 1937 fiscal year, which programme is designed simply to supplement and coordinate the temporary measures already in operation for meeting Japan's special needs as an insular and "have-not" country, and especially to fulfil the purpose of maintaining Japanese industry.

1. Subsidies for the Construction of Vessels of Superior Class

One of the recent trends in world shipping has been the replacing of Tramp with Regular services. This inevitably calls for a superior type of vessel, which may be seen in the policies of the powers in which old and uneconomical bottoms have been replaced as far as possible by new and superior-type vessels. The principle of superior vessels, however, does not necessarily imply one of larger and high-speed vessels, but rather the principle of placing in service vessels that are economical and advantageous in the light of the actual situation

of each route, and from the point of view of competitive operation. The ship-improvement policy, although long advocated, has never been easy to carry out in Japan where construction costs are high. The result, on the part of shipping companies, has been to place on service old and uneconomical vessels, despite their wishes and the demands of the situation. Measures are needed, therefore, to reinforce our shipping by the construction of superior-type vessels. Accordingly, the present governmental measure is designed to grant subsidies, from the 1937 fiscal year onwards, for a period of four years, for the construction of freight-passenger and freight vessels respectively, of 6,000 gross tons and 19 knots and upwards. Construction of the two kinds of vessels each to a total gross tonnage of 150,000 tons will thereby be assured during the same period. These subsidies will be paid in annual instalments, in respect to passenger-freight vessels, over a period of eighteen years, beginning with the 1937 fiscal year, and an initial instalment of 20,000 yen. In respect to freight vessels, payments will be made over a period of four years, the first instalment being 380,000 yen. Thus it will be seen that the first instalment will not exceed 400,000 yen, even when the subsidies for these two kinds of vessels are taken together.

2. Subsidies for Operating Distant Routes

Because of protective and promotive measures adopted by Western powers, Japanese vessels operating in distant waters are discernibly decreasing, and, if left as they stand, are in danger of being gradually excluded from the principal routes. As a measure of precaution, therefore, the Government has decided to grant subsidies, from the 1937 fiscal year onwards, over a period of five years, for operating distant routes requiring, on the average, over six months to traverse. A total gross tonnage of 100,000 tons is expected to be placed on the routes in the first year, and that of 200,000 tons in the second year. The instalment of the subsidies to be paid for the first year is not large; no more than 1,120,000 yen has been allotted.

3. Facilities for Shipping Loans

In planning the promotion of an industry, the foremost requisite is undoubtedly to facilitate the supplying of funds. Consequently, any measures for such purposes in maritime affairs may well be regarded as cultivating the root of the industry to stimulate its growth and healthy life. Western countries have long realized this important relationship, by legislation and the establishment of institutions

designed specially to finance ship-building, they have endeavoured to construct merchant fleets endowed with strong competitive strength.

Measures in Japan, on the other hand, have been extremely deficient, as there have been no special financial institutions for this purpose. Nor have any banking houses in general throughout the country had sufficient wisdom and courage to grant such loans. Yet in a country such as Japan, where shipping constitutes one of the basic factors in guiding national destiny, there can be no question as to the

TABLE VI. GOVERNMENTAL MEASURES OF THE MAJOR POWERS IN RESPECT TO SHIPPING LOANS

Country	Construction Subsidy	Loan		Total Amount Authorized
		Interest Rate	Limit	
Great Britain	nil	3.0%	100%	10,000,000 (Pounds)
United States	One-third	3.5%	Balance of construction cost less 25% and amount of subsidy	Not known exactly
Germany	30%	Grant of 4.0% for 6 years	Balance of construction cost less amount of subsidy	Not known exactly
France	nil	2.0%	85%	500,000,000 (Francs) (125,000,000 annually)
Italy	Subsidy for steel ships, shaft horse-power, speed, 10% approximately	Grant of 2.5%	60%	1,000,000,000 (Lire)

urgency and importance of constantly undertaking the adjustment and improvement of financial measures designed to assist and promote shipbuilding as a permanent and fundamental national policy. To meet this pressing need, and to make up the aforesaid deficiency, the Government has recently put into operation a measure in regard to shipbuilding loans, which has rendered it possible for banking institutions to grant loans up to a total amount of 70,000,000 yen, at 3.7 per cent interest. According to this new measure, the Government will make a grant of 1.0 per cent to bankers for these loans, provided the

original cost of the fund is 3.7 per cent. Furthermore, the Government is prepared to guarantee up to 70 per cent of loans granted under this law in case loss is incurred. From Table VI, however, it may be seen that this measure can never be regarded as adequate, when compared with similar programmes of other powers.

International Aspects of Shipping

In the foregoing survey the plain fact has been recorded that Japan has realized in shipping what her existence as a maritime nation requires. In this sense, the measures which have here been explained have been adopted so that she may fulfil her irrevocable national policy. In so doing, it should be apparent, there has been no intention whatsoever on the part of Japan to exclude the activities of other countries. An international industry such as shipping is inherently founded on the co-operation of all nations of the world, its prosperity depends almost entirely on the existence of such happy and harmonious relations—the realization of the international ideal of coexistence and common prosperity. Shipping has an important mission in working for the welfare and happiness of all humanity. With the nations of the world cognizant of this conception of shipping in all its implications, the common-weal of the human race can be established.

THE BOARD OF PLANNING

—Its Significance and Social Background—

The Board of Planning

THE Imperial Ordinance authorizing the formation of the Board of Planning, and ordering the abolition of the Board of Investigation, was promulgated on May 14, 1937. On the same day, the new Board embarked on its important mission with the appointment of a President, a Vice-President, and other officials. Why this institution was created, what its functions are, and what the form of its organization is, these are questions undoubtedly in the minds of many people. The answers to them, which will be given in the following pages, will be understood only after recalling the state of affairs and their development which brought about the creation of the Board of Investigation, the forerunner of the present Board.

Board of Investigation

The series of upheavals which, in recent years has characterized the world situation, has not left Japan as an exception. The confused vortex of economic and social conditions, which no one seems able to fathom, has been aggravated not alone by its internal forces, but also by the external implications of these forces. In particular, through the momentum of the Manchurian Incident, a national crisis of unprecedented magnitude has been created. In all classes and sections of the nation voices have been heard insisting that no time should be lost in achieving reform of the existing order for the purpose of overcoming the present crisis and assuring the development of our national life. That this exigency should call for the creation of the new administrative organ to plan and effect the desired reforms is, accordingly, no cause for wonder.

When the actual workings of structures for policy planning in the past, similar in scope to the present Board, are reviewed, deplorable tendencies towards over-specialization and subdivision are frequently found with the growth in volume and complexity of State affairs. These have led, subsequently, to maladjustments and counteractions between the divided groups. Such tendencies, at a time when we are desperately in need of harmonious and coordinated national policies, only intensify friction between various Departments and

circles of the Government, making it impossible, within the scope of the limited State budget, adequately to finance expenditures of all the Departments according to their needs.

The need had been felt, therefore, for the creation of an institution whose principal functions would be to correct the mistaken feeling of independent existence on the part of the Departments, and to rectify their wrong conception of budgetary negotiations—the conception which regards appropriations almost as war spoils. Thus to form real national policies and to plan for their constructive adjustment, with all Departments working as a coordinated whole, was deemed a necessity.

The Cabinet system, as such, naturally functions as the corrective of these abuses, and successive Cabinets have put forth endeavours in no small measure along these lines. It is, however, an impossibility for the Cabinet to achieve this purpose unaided, in the face of the increase, in recent years, of national policies, their growing complexity, and the attention they demand. There must, indeed, be created one special, strong institution directly attached to the Cabinet itself, which transcends all Departments, and which can offer adequate and pertinent judgment on the urgency, importance and priority of proposals and claims of different Departments.

It was these and similar considerations, and especially their social background, which led to the creation of the Board of Investigation. Since the establishment of this Board, however, the internal as well as the external crisis has been greatly intensified, with the result that hopes for tiding it over have become faint. This situation rendered the need of augmenting the existing institution extremely pressing. The Hirota Cabinet realized this need, and entrusted to a Cabinet committee consisting of four Ministers of State the drafting of a constructive plan, the result of which was the formation of a body known as the Board of General Affairs. Yet this plan did not materialize. It was the Hayashi Cabinet that, after careful study, established the Board of Planning as the first step in materializing its policy of reform of the existing order.

The question as to what are the specific points in which the new Board is enlarging its scope of functions, and strengthening the mechanisms of procedure, in comparison with the institution it has superseded, will be dwelt upon rather fully in the following pages. It may not be irrelevant, however, to mention here the outstanding features in the new system.

The Board of Investigation, as was clearly stated in the Ordinance pertaining to its organization and functions, was designed primarily to study important policies and make detailed investigation of certain

others, under the instruction of the Prime Minister. But since it had no direct organic relation with the Cabinet, as an organ for deciding upon national policies, it was not without danger of turning into a mere repository of national policies. The securing of efficiency in such an institution depends invariably on how it is operated. Not infrequently, however, it was the case that efficient operation of the Board of Investigation was impaired because of the lack of a clearly defined scope of functions. In the new system, therefore, the way is opened for the Board of Planning to approach the Cabinet directly.

Functions of the New Board

According to Article I of the Ordinance setting forth the organization and functions of the new Board, the scope of its functions is defined as follows :

1. *To make recommendations, acting on the instruction of the Prime Minister, with pertinent observations, both in regard to important national policies and to their coordination and adjustment.*

These policies are the ones proposed for the most part by Ministers of the various Departments. Instances may occur, however, in which the Prime Minister himself will make his own proposals, when he deems it necessary. In case counteractions and conflicts should arise between the policies proposed by the Ministers, the Prime Minister may again tender his own proposals. Assisting him in such cases is one of the specific functions of the new Board. This is an entirely new provision.

2. *To investigate the important policies proposed to the Cabinet by its Ministers, and to make recommendations based on due observation of them. Policies proposed by different Departments are referred to the Board, which is to study them in the light of their importance, and investigate them from the point of view of the synthesized unity of all national policies.*

Each Department logically has expert knowledge and the most profound grasp of State affairs in its own field. Accordingly, its proposals must be fully appreciated. Yet it should be noted that the Departments are not immune from adhering to their own traditions and bowing to the weight of previous circumstances; it happens not infrequently that what they propose runs counter to the unity of national policies as a whole. In order to eliminate the evils arising from friction, this function, outlined above, has been given to the present institution, and is one which was not extended to the former Board.

3. *To investigate important policies, and to study the means of coordinating and adjusting them.*

The second part of this provision—"To study the means of coordinating and adjusting them"—is an addition to the former Ordinance. However, the underlying principle of the provision has not been changed; this constitutes in reality the permanent and regular function of the present institution. In carrying out this principle, not from the departmental but from the true national standpoint, the Board never makes any outward move; yet on the inside, it does from time to time make recommendations to the Prime Minister. This investigation and study may be regarded as constituting, in itself, the basis for the study of major national policies, and for the recommendations concerning budgetary coordination and adjustment which will be explained in connection with the next provision.

4. *To make recommendations concerning control over budget estimates on proposed policies.*

This is also a new provision, and is designed to eliminate the wrong conception towards budgetary negotiations which has already been explained. Heretofore, in drawing up estimates, each Department has grown so jealous that it has in many cases made rather too energetic demands. Such zeal on the part of Departments for the affairs under their own charge cannot be put aside altogether, yet it may, nevertheless, cause confusion and conflict in budgetary negotiations, resulting thereby in the failure to frame a real State budget absolutely free from mere departmental interests. The new Board will be able to eliminate this possible danger by making recommendations on the basis of its objective study of departmental proposals for the budget, with a view to their adequate control.

5. *To have authority to call for explanations or explanatory data in case such are deemed necessary for carrying out the functions outlined above.*

The previous Board of Investigation was similarly authorized.

Organization of the Board

Charged with duties of vast importance such as those outlined, the newly created Board obviously cannot effectively perform its mission if organized only on the same scale as was its predecessor. Hence its organization is considerably augmented. In personnel, to begin with, the President* is appointed by Imperial Command from among

* The first President was Mr. Toyotaro Yuki, Finance Minister in the Hayashi Cabinet; the President is now Mr. Koki Hirota, Foreign Minister.

the Cabinet Ministers. Thus it is made convenient for the President personally to present the recommendations of his Board in the most effective way, and with considerable weight, since he sits in the meetings of the Cabinet side by side with the other Ministers. In other words, the opinions of the Board will reach the Cabinet through the mediums of both personnel and business arrangements.

The next point to be noted is the increase in number of councillors, the most important members of the official staff, both in the new and under the old system. Considering the significance and enlargement of its functions, it is logical that the present Board have twenty full-time councillors. The newly created position of assistant councillor, fifteen to be appointed, is designed to create a supplementary official force, the lack of which was keenly felt in the former institution. Additional increases in staff membership have been made in consideration of the new duties of the Board: the number of senior officials will be a little more than doubled; the number of junior officials will be exactly doubled.

In addition to the above, the Board has permanent advisers who are appointed from among officials of other bureaus closely associated with the Board through related functions; they participate actively in Board affairs. It is essential that the Board of Planning keep itself in intimate association with the other institutions designed for coordinating national policies, and such a relationship is rendered possible by the creation of this new office. For facilitating connections with other Departments, each Department will have among its officials a liaison officer especially designated as such, as provided in Article III of the Ordinance.

Advisers and technical advisers are also to be appointed, who are to supply to the Board their expert knowledge along specific lines.

In concluding the study of the work and significance of the Board of Investigation and Planning, the position of the Central Economic Council* deserves mention. The function of this Council is to investigate and study policies which are referred to it by the Prime Minister. These policies concern the coordination of economic measures relating to the Japanese Empire in its entirety, and the basic execution of such plans. These two institutions, the Council and the Board, do not have the direct and intimate relations which

* The Imperial Ordinance relating to the establishment of the Central Economic Council was promulgated on July 1.

The Council will, under the supervision of the Prime Minister, operate in the manner explained in this paragraph, and consists of a President (the Prime Minister), Vice-President (President of the Board of Planning), Chief Secretary (Vice-President of the Board), and secretaries. These secretaries will be nominated from Bureau Chiefs of the various Departments closely associated with the work of the Council, while other members will be appointed from among non-official persons with expert knowledge and experience.

existed between the Board of Investigation and the Cabinet Investigation Council during Admiral Okada's term as Prime Minister. Yet, since the President and Vice-President of the Board of Planning are ex-officio Vice-President and Chief Secretary respectively of the Central Economic Council, and since the various Departments share responsibilities in preparing data for the deliberation of the Council, it is natural that the Board will function as the main organ for promoting and safeguarding the progress of the work of the Council.

SOCIAL LEGISLATION: THE LAW FOR PROTECTION OF MOTHERS AND CHILDREN

BUREAU OF SOCIAL AFFAIRS

I

PROBLEMS of mothers' and children's protection in Japan have come to be systematically studied and discussed only in relatively recent years, although, in fairness, it must be said that various regulations had been put into operation in the early years of the Meiji Era, such as grants of rice in caring for abandoned children and mothers with three or more children in needy condition, and provisions for general relief. All these measures, however, were directed exclusively to the protection of destitute children, and showed no great concern in caring for mothers.

With the coming of the Taisho Era, a changing social order wrought complete changes in the economic life of the nation. An increasing number of women with dependent children were compelled to seek employment in mills, factories, and in other fields where labour was in demand. An urgent need was then widely felt for taking thoroughgoing measures for the protection of these women workers, with the result that in 1918 an Imperial Ordinance was promulgated creating a "Relief Measures Investigation Commission." This commission, in October of the following year, submitted a Memorandum on the protection of children, in which the urgent need of drafting laws for the care of mothers and children was stressed. This marked the first attempts in Japan for official investigation of systematic protection of mothers and children. Several years later, the Social Works Investigation Commission, created in 1926, submitted to the Home Minister an outline for a children's aid bill. It may be noted that this outline does full justice to the problem of mothers' and children's aid. Subsequently, the Social Works Investigation Commission, in the course of its study on systematic social works, reached a conclusion concerning a system of general aid and protection. This led the Government to draft a bill on general aid and protection, in which was incorporated the idea of mothers' and children's aid, by including among the recipients of assistance both children under thirteen years of age and mothers with unweaned babies. This bill was enacted as law and promulgated in 1929.

The world depression made worse the conditions of people of scanty means, and great indeed was the distress of the widowed woman who found laden upon her slender shoulders the double burden of earning a living and caring for her helpless children. To ameliorate this sorry state of affairs, a widespread demand was voiced for some legislation intended exclusively for the care of mothers and children. In fact, at each session of the Diet after 1930, representations have been made and bills for this purpose have been submitted, while, on the other hand, at all conferences and meetings of social workers the need for a mothers' and children's aid law and for an extensive provision of mothers' and children's homes formed the central point of deliberations. During the same time, the Government had been conducting investigations in the problems of social aid and, as a means of stabilizing the life of the nation, had decided to take steps for the enactment of a law for the protection of mothers and children. Accordingly, a bill for mothers' and children's aid was drafted on the basis of the report submitted to the Home Minister by the Social Works Investigation Commission, in December, 1936.

II

Needless to say, it is the duty of the husband, who is responsible for the support of his wife and children, to enable the mother satisfactorily to fulfil her sacred task of bringing up their children. In the event that the husband is taken by death or disabled for work on account of illness or injury sustained, the mother must take upon herself the task of earning a living, in addition to the duty of rearing their children. Many are the mothers with children in truly disconsolate and needy conditions. It happens only too often that the family has simply to live at the expense of the children. Or, on the other hand, because of desperate efforts made for the education of the children, other members of the family are reduced to the point of starvation.

As mentioned above, the need of some legislative measures for the succour of mothers and children in distress was widely urged. The Government at an early date caused investigations to be made in this field, and we find, in the legislation of 1930 concerning social aid, provisions for the care of mothers and children in needy conditions. But these provisions, being very limited, were sadly inadequate in enabling the widow to fulfil her maternal duties towards her children, in whom the future hopes of the nation are centred, by guarding their health and promoting their education. These circumstances called for the enactment of a law for the care

of mothers and children in needy conditions, separate from and complementary to the Law for Aid and Protection.

III

This law consists of fifteen articles. Its essential features may be summed up as follows:

(1) RECIPIENTS OF AID

(A) **Eligibility Requirements**

(a) The recipients of aid shall be mothers with dependent children under thirteen years of age. Inasmuch as the object of this law is to aid mothers in fulfilling their mission of bringing up their children, it is only in accordance with the spirit of this legislation to restrict the recipients of aid under the law in this way. In the second place, in view of the fact that, in the actual state of family life in Japan, it is very often the grandmother who looks after her grandchildren, instead of the mother, grandmothers with their grandchildren to be cared for shall be included as eligible persons for aid. Incidentally, this brings to light one of the commendable features of Japanese family life.

The age limit for children under care is fixed at thirteen in order to bring it in line with the provisions of the Law for Aid and Protection already mentioned. It is so determined, also, on physiological considerations. The term "mothers with children to be cared for" signifies that mothers are to live with their children in the same family, looking after them there. Those mothers who send their children out, in fosterage, for example, do not come under consideration.

(b) As the object of the law is to aid the poor and needy, obviously "being poor and needy" is the essential eligibility requirement for the aid. The term "being poor and needy" signifies the want of sustenance, as the term is commonly understood, as the result of which mothers can neither maintain a living in its most reduced form, nor provide the necessities for the growth and education of their children. Whether or not mothers are really in needy circumstances is judged according to the economic condition of the families or the households, for the unit of economic life in Japan is generally the family and not the individual.

(c) The mother must either be a widow or be in a similar state, so far as the ability of the husband to work is concerned. Since this law is designed to aid mothers with dependent children who have lost their husbands, the bread-winners, the provisions of the law do not extend to mothers so long as their husbands, legitimate or otherwise, are alive and able to work. Public aid is extended to mothers when they are widowed, or, what amounts practically to the same thing, when their husbands are unable to work because of physical

or mental incapacity, or because of imprisonment, desertion, or disappearance. No aid is extended on the score of unemployment of husbands, since this does not signify the loss of ability to work.

(B) Loss of Eligibility

Mothers in needy conditions, otherwise eligible for aid, may be refused support on the ground of weakness in moral character, or on other grounds that would render them unfit properly to take care of their children. This provision demonstrates that the legislation stands on a moral basis. The question of fitness of the recipients of public aid will be determined by the mayor or the headman of towns and villages after careful examination of the report of the District Visitor.*

(C) Eligibility and Obligations of Support

In the dispensation of public aid in a country like Japan, where the family, not the individual, forms the unit of social organization, the obligation to support is a very important item to be reckoned with in determining eligibility to receive assistance. The Civil Code is very clear as to where the duty of support falls ; hence the present law follows the rulings of the Code. Where the persons responsible for support of the family are alive and able to work, the law assumes no responsibility for that family. Nevertheless, if the need of aid is urgent as, for example, when the persons responsible for support are at distant places and the help is not forthcoming, public aid may come to the rescue.

(D) Advices and Penalties

Aid under this law is administered by the mayor or the headman to mothers satisfying the conditions mentioned above. However, in order that public aid be utilized in conformity with the spirit in which it is given, it sometimes becomes necessary for aid to be denied or discontinued, or that penalties be inflicted. The law authorizes the mayor and the headman to render to the recipients of aid such advices as are deemed necessary for the care and education of their children. Although, of course, such counsels are not legally binding, obstinate disregard of them may lead to the withholding or suspension of aid. When mothers disobey the orders issued under this law, or refuse to undergo the investigations necessary for the granting of aid, or disregard the advices of the mayor or the headman, the latter may refuse or discontinue the grants. It is quite possible that false pretences may be used to obtain aid, or to cause it to be obtained, in spite of the fact that the individuals concerned do not satisfy the conditions necessary for eligibility. To prevent such evils, the District Visitors will make investigations. In case any irregularities are known to have been resorted to, penalties varying in severity according to the offence committed will be imposed. Cancellation of future aid is the usual

* These District Visitors fulfil their duties without remuneration, and form an institution similar to that of the Chalmers System.

procedure. When more serious irregularities occur, the cost of aid previously granted must be refunded; while in certain cases, persons receiving or causing others to receive aid will be liable to incur imprisonment of not more than three months, or to be fined not more than one hundred yen. (It should be noted that this punishment is lighter than that for fraud as provided in the Penal Code).

(2) ADMINISTRATORS OF AID

(A) Executive Agents

In the Law for Aid and Protection, the administrator is the mayor or the headman of the city, town or village in which the subject of aid is residing, or is found, in case the individual has no fixed residence. In the present law, in view of the fact that mothers without any fixed residence cannot possibly undertake the care of their children, public aid is extended only to mothers with fixed residences and only the mayor or the headman of the place of their residence is designated as the administrator. As there is no requirement concerning the length of residence, aid may be given as soon as mothers are settled in one place.

(B) Assisting Administrators

The District Visitors have proved themselves very efficient in forming an auxiliary institution for all kinds of social work through the close touch which they maintain with the poor and needy. Originally, they were a voluntary body of men, but in November, 1935, their institution was given a legal status by an Imperial Ordinance, and has become an indispensable entity in the field work of all social measures. So, in the work of assistance under this law, the same institution plays an important part in assisting the mayor and headman.

(3) FORMS AND METHODS OF AID

(A) Categories of Aid

Aid given under this law falls into the following four categories : (No aid is given in cases of childbirth, inasmuch as these are provided for in other legislation.)

(a) Aid for the sustenance of mothers, in cash or in kind, the extent of which is to be determined by a specific order issued under the law.

(b) Aid for the care of children, including the cost of education and other necessary expenses, in cash or in kind, to be allotted in the same manner as in (a).

(c) Aid to enable mothers to make a living. Such aid is to be given in the form of necessary implements, materials, or of loans or grants of money required for these purposes. The extent of such loans or grants is to be determined by the actual need of the recipient for self-support.

(d) Medical care for illnesses or injuries suffered by mothers or their children, which involve physicians' treatments and dispensations of medicine. As a rule, patients are to receive the treatments at their homes. However, when deemed necessary, they are to be taken into hospitals.

(B) **Extent of Aid**

Under this law, it is the rule to give all aid at the home of the mother, because children can be properly cared for only at the mother's home. There are, however, certain exceptions, such as in cases where recipients of aid are taken to hospitals. It is obvious that aid given under this law must not extend beyond what is really necessary for the sustenance of the mother and for the care of her children, in accordance with the standards prescribed by Imperial Ordinances.

(C) **Burials**

In the event of the death of the mother or child who had been receiving aid under this law, where none of the surviving members nor any of the relatives of the family can meet the expense of the burial, as is usually the case, the mayor or the headman, who had been administering aid to the deceased, will either attend to the burial himself or refund the cost of burial to other persons attending to it. The extent of such a payment and the form of application for refunding the cost of burial are to be prescribed by Imperial Ordinances.

(D) **Institutional Provisions**

After the manner of the institutional provisions maintained with excellent results under the Law for Aid and Protection, the present law provides for so-called "homes" to house mothers and children. There will also be auxiliary institutions for training the needy in the crafts of life, and also for taking care of children while their mothers are at work in mills, factories, etc. When cities, towns, villages, or individuals intend to establish such institutions, the approval of prefectural governors is required; there is the need of strict supervision over institutions which house a large number of women and children. Additionally, inasmuch as such institutions enjoy various privileges, there is great danger of their being created out of impure motives and of their being kept in insanitary and defective conditions. Of the expenses pertaining to institutions founded by cities, towns and villages, and by private individuals, half will be borne by the National Treasury and one-quarter by the prefectural governments. Furthermore, in respect to the buildings used as aid institutions and to the land offered as sites for such buildings, or used otherwise for aid purposes, no taxes or assessments may be levied by any public bodies. Whenever these institutions are run in violation of the law or of orders or prescriptions issued thereunder, the prefectural governor may cancel his approval previously given for the creation of such institutions.

IV

The expenses incurred in connection with mothers' and children's aid under the present law will be met in the manner set forth in the Law for Aid and Protection. In regard to the expenses required for aid and burials, for the field work of the District Visitors and for the setting up of aid institutions, the Treasury will contribute to prefectural governments one-half of the amount expended, and to towns and villages seven-twelfths. Prefectural governments will contribute to towns and villages one-quarter of what the latter incur. This system of contributions, leaving a fair portion to be borne by local bodies themselves, will, it is believed, help to conserve the neighbourly character of social aid.

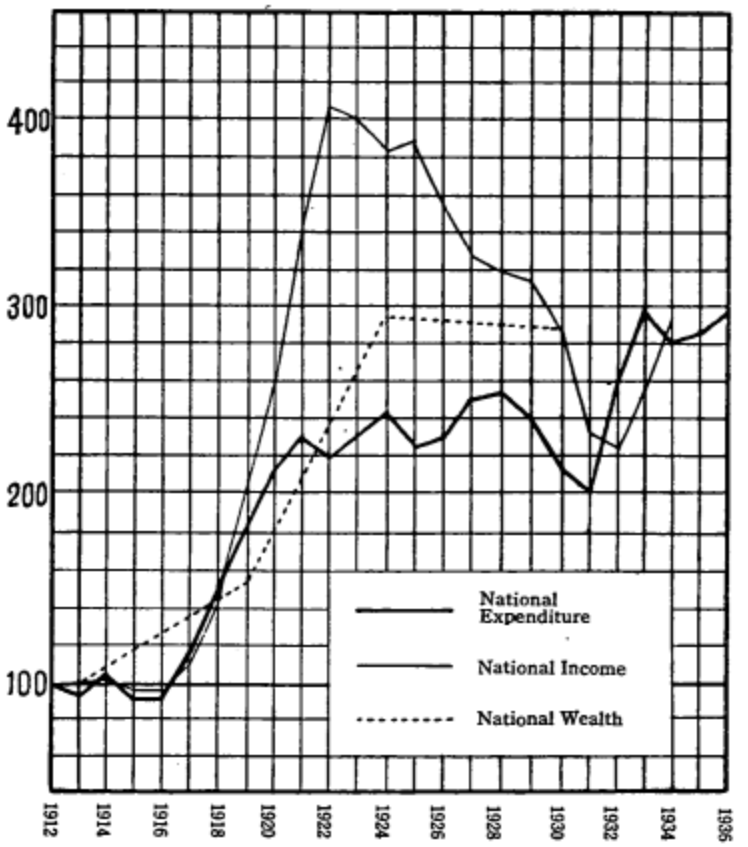
The above is an outline of the Mothers' and Children's Aid Law. The total expenditure to be required for its operation is estimated at 4,700,000 yen a year, of which 2,590,000 yen will be contributed by the Treasury. As the law comes into operation on January 1, 1938, an appropriation for a Government subsidy of 640,000 yen, representing the payment for the first three months of 1938, is included in the Budget for 1937-38. When it is recalled that no less than 950,000 persons will be recipients of the benefits of the law each year, this law may justly be regarded as marking an epoch in the history of social legislation in Japan.

GROWTH OF JAPAN'S FINANCES

BUREAU OF STATISTICS

KEEPING pace with the remarkable development of her national prosperity during recent years, Japan's finances have achieved an extraordinary growth which has gone through two stages of expansion. The first stage of this expansion coincided with the duration of the World War (see figure 1). The annual, general account expenditure had remained below the level of one thousand million yen until 1918, when this amount was exceeded. Fluctuations were recorded after that date, but the upward tendency

This chart shows the fluctuations in National Expenditure, Wealth and Income during the past 25 years, with the year 1912 taken as the basis for the indices of National Expenditure and Income, and with 1913 as the basis for the index of National Wealth.

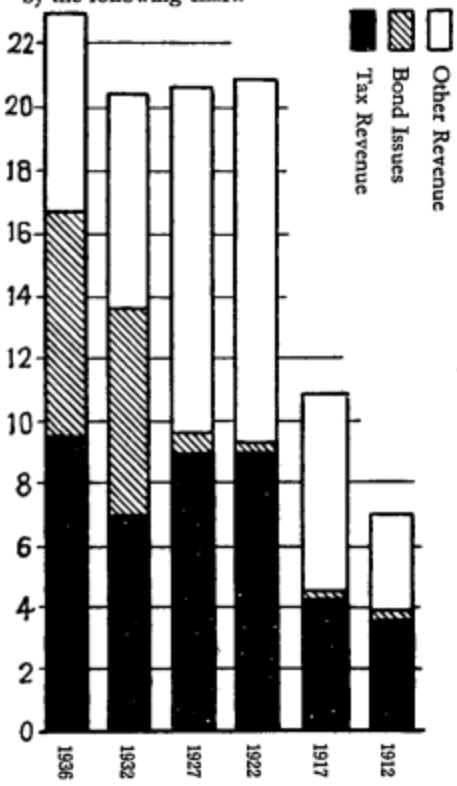


was steadily maintained, and expenditure reached the level of 1.8 milliard yen in 1928.

A policy of retrenchment, inaugurated by the Government in 1929, and continued for three years caused a setback in this expansion; however, with the outbreak of the Manchurian incident in September, 1931, the second stage of expansion began. Thus, expenditure under general account in 1932 totalled about two milliard yen, or to be exact, 1,950,000,000 yen.

The level of two milliard yen has since been maintained; the revised budget submitted to the 70th session of the Imperial Diet provided for an expenditure of about 2.8 milliard yen under the general account.

How General Account Expenditure has been met during the past 25 years is shown by the following chart.



Meanwhile, a serious devaluation of the yen has taken place. Unless adequate consideration be given to this point, the true facts concerning the expansion in Japan's finances cannot be known. Yet, having considered this point, the fact that Japan's finances have recently expanded both nominally and substantially cannot be denied (see figures 1 and 2). Additionally, the increase in national expenditure per capita has been greater than the increase in population. Yet it must be recognized that the expansion of national expenditure has followed the remarkable increase in national wealth and income.

Japan's national wealth, income and expenditure per capita of the population have increased materially. Taking the year 1912 as the basis, the index of national wealth registered 290.2 in 1930, that of national income, 289.7 in 1934, and that of national expenditure, 293.3 in 1936. Thus it will be seen that all three have practically trebled in the past 25 years, with an almost equal rate of increase.

As may be seen, increase in the issuing of bonds to meet deficits in the budgets has been remarkable. Unredeemed bonds totalled some 2,570,000,000 yen in 1912, but the figure jumped to over

9,850,000,000 yen in 1935. In other words, the national indebtedness per capita of the population in Japan Proper totalled about 50 yen, and that per capita in the Japanese Empire about 37 yen in 1912, while this indebtedness increased to some 145 yen per capita in Japan Proper and about 102 yen per capita in the Japanese Empire in 1935.

It may be recorded, in this connection, that the percentage of national indebtedness to national income was 80.83 in Japan in 1934, 202.16 in Great Britain in 1935, 54.19 in the United States in 1935, 233.55 in France in 1932, and 617.93 in Italy in 1933. A sweeping conclusion in this matter is impossible because all countries face their own peculiar circumstances, and the method of calculation of national income differs in the various countries. However, on the basis of the above figures, it may be seen that the percentage of national indebtedness to national income is notably higher in European countries burdened with war debts than that in the United States and Japan.

With regard to revenue from taxation in Japan, the actual revenue has recently increased, but its percentage to total national revenue has decreased, while the burden of taxation per capita has, lately, decreased in comparison with that during the period from 1912 to 1926 (see figure 2).

The percentage of tax revenue to national income represents 7.5 in Japan, 1934; 18.9 in Great Britain, 1935; 7.98 in the United States, 1935; 10.72 in Germany, 1934; and 21.06 in France, 1934. As in the case of national indebtedness, any sweeping conclusion is inadmissible, but the above figures show the percentage in Japan to be the lowest.

What has been mentioned here refers to the finances of the Central Government of Japan. The finances of prefectures, municipalities, towns and villages have shown a still more phenomenal expansion, as demonstrated by the comparative indices of annual expenditure with 1912 as the basis. The index of annual expenditure by the Central Government stood at 371.71 in 1935, while that of local governments was 555.65.

Figure I REVENUE AND EXPENDITURE UNDER GENERAL ACCOUNT, UNREDEEMED NATIONAL INDEBTEDNESS, NATIONAL WEALTH AND INCOME.

Fiscal Year[1]	Total Amount of Expenditure Under General Account		Total Amount of Revenue Under General Account							Unredeemed National Indebtedness	National Wealth	National Income
			Total Revenue	Tax Revenue		Bond Issues		Other Revenue				
	Actual Amount	Adjusted Amount[2]		Actual Amount	Percentage to Total Revenue	Actual Amount	Percentage to Total Revenue	Actual Amount	Percentage to Total Revenue			
	thousand ¥	thousand ¥	thousand ¥	thousand ¥	%	thousand ¥	%	thousand ¥	%	thousand ¥	million ¥	million ¥
1936	2.311.517	1.170.388	2.305.574	965.391	41·87	703.838	30·53	636.345	27·60	—		
1935	2.206.478	1.189.733	2.259.321	926.083	40·99	678.371	30·03	654.867	28·99	9.854.301	—	
1934	2.163.004	1.217.633	2.246.982	843.183	37·53	742.542	33·05	661.257	29·43	9.090.454	—	11.247
1933	2.254.662	1.256.219	2.331.760	748.567	32·10	753.038	32·29	830.155	35·60	8.139.038	—	9.719
1932	1.950.141	1.210.816	2.045.276	695.837	34·02	659.593	32·25	689.846	33·73	7.054.196	—	8.539
1931	1.476.875	965.025	1.531.082	735.504	48·04	120.272	7·86	675.306	44·11	6.187.657	—	8.716
1930	1.557.864	860.793	1.596.972	835.041	52·29	38.000	2·38	723.931	45·33	5.955.817	110.188	10.636
1929	1.736.317	789.845	1.826.445	893.505	48·92	99.863	5·47	833.077	45·61	5.959.457	—	11.510
1928	1.814.855	802.678	2.005.691	915.910	45·67	157.085	7·83	932.696	46·50	5.831.261	—	11.434
1927	1.765.723	785.988	2.062.755	898.673	43·57	61.094	2·96	1.102.988	53·47	5.397.867	—	11.637
1926	1.578.826	667.157	2.056.361	886.999	43·13	34.033	1·66	1.135.329	55·21	5,171.766	—	12.503
1925	1.524.989	571.499	2.071.369	894.809	43·20	46.590	2·25	1.129.970	54·55	4.999.176	—	13.382
1924	1.625.024	594.811	2.127.391	887.238	41·71	127.970	6·02	1.112.183	52·28	4.863.013	102.341	12.904
1923	1.521.050	577.292	2.045.298	787.203	38·49	35.041	1·71	1.223.054	59·80	4.729.956	—	13.252
1922	1.429.690	551.855	2.087.345	896.404	42·94	26.926	1·29	1.164.015	55·77	4.341.896	—	13.389
1921	1.489.856	561.955	2.065.711	785.852	38·04	53.033	2·57	1.226.826	59·39	4.077.116	—	10.855
1920	1.359.978	396.276	2.000.652	696.257	34·80	53.632	2·68	1.250.763	62·52	3.777.264	—	8.284
1919	1.172.328	375.770	1.808.633	672.386	37·18	19.090	1·06.	1.117.157	61·77	3.277.873	86.077	6.384
1918	1.017.036	399.198	1.479.116	519.293	35·11	28.355	1·92	931.468	62·97	3.051.776	—	4.670
1917	735.024	377.904	1.084.958	430.604	39·69	16.984	1·57	637.370	58·75	2.698.741	45.696	3.527
1916	590.795	382.218	813.309	348.673	42·87	1.577	0·19	463.059	56·93	2.467.702	—	3.055
1915	583.270	456.536	708.616	312.745	44·13	1.705	0·24	394.166	55·62	2.489.234	—	3.030
1914	648.420	513.356	734.648	343.708	46·79	10.689	1·45	380.251	51·76	2.506.371	—	3.130
1913	573.634	433.520	721.975	369.480	51·18	12.895	1·79	339.600	47·04	2.584.123	32.043	3.030
1912	593.596	449.456	687.392	360.970	52·51	18.327	2·67	308.095	44·82	2.573.219	—	2.944

N.B. The revenue and expenditure for 1936 are based on the budget, those for 1935 on the working budget and those for the preceding years on the actual, established figures.

[1] The Japanese fiscal year begins on April 1 and ends on March 31 of the following year.

[2] To show the devaluation of the yen, this adjusted amount has been determined by dividing the actual amount by the index of wholesale commodity prices as established by the Bank of Japan.

Figure II

EXPENDITURE, DIRECT TAX REVENUE, UNREDEEMED NATIONAL WEALTH AND INCOME PER CAPITA OF THE POPULATION

Fiscal Year	Expenditure Under General Account	Direct Tax Revenue	National Indebtedness Unredeemed		National Wealth	National Income
			Population of the Japanese Empire	Population of Japan Proper		
1936	33.64	14.05	...	...	...	...
1935	32.60	13.68	102.74	145.58	...	...
1934	32.33	12.60	96.15	135.87	...	168
1933	34.14	11.34	87.27	123.25	...	147
1932	29.99	10.70	76.91	108.50	...	131
1931	22.99	11.45	67.57	96.34	...	136
1930	24.61	13.19	67.14	94.10	1.741	168
1929	27.79	14.30	68.05	95.38	...	184
1928	29.47	14.87	67.46	94.70	...	186
1927	29.08	14.80	63.22	88.89	...	192
1926	26.43	14.85	61.15	86.57	...	209
1925	25.88	15.19	60.81	84.85	...	227
1924	27.93	15.25	59.91	83.59	1.759	222
1923	26.47	13.70	59.09	82.30	...	231
1922	25.19	15.79	54.93	76.50	...	236
1921	26.56	14.01	52.20	72.69	...	194
1920	24.52	12.55	48.94	68.09	...	149
1919	20.84	12.21	42.81	59.56	1.530	116
1918	17.51	9.48	40.09	55.75	...	85
1917	13.12	7.95	35.93	49.85	815	65
1916	10.70	6.51	33.33	46.13	...	57
1915	10.71	5.92	34.15	47.19	...	57
1914	12.08	6.60	34.99	48.16	...	60
1913	10.95	7.20	36.82	50.37	600	59
1912	11.47	7.13	37.52	50.88	...	58

N.B. The expenditure and the direct tax revenue for 1936 are based on the budget, those for 1935 on the working budget, and those for the preceding years on the actual, established figures.

Figure III

EXPENDITURES AND REVENUES OF GOVERNMENTS OF PREFECTURES, MUNICIPALITIES, TOWNS AND VILLAGES

Fiscal Year	Expenditure		Revenue
	Actual Amount	Adjusted Amount[1]	
1935	1.836.237	990.099	1.837.117
1934	1.792.632	1.009.137	1.793.126
1933	2.534.905	1.412.361	2.761.632
1932	1.898.928	1.179.019	2.097.910
1931	1.625.969	1.062.447	1.826.211
1930	1.752.737	968.470	1.993.262
1929	1.714.647	779.988	1.956.528
1928	1.893.809	837.598	2.156.918
1927	1.969.307	876.611	2.247.828
1926	1.593.997	673.567	1.912.002
1925	1.409.196	528.105	1.712.791
1924	1.306.100	478.075	1.613.590
1923	1.253.754	475.844	1.541.055
1922	1.288.896	497.509	1.567.242
1921	1.078.450	406.778	1.337.528
1920	949.166	276.572	1.153.424
1919	652.387	209.112	809.664
1918	495.041	194.309	588.912
1917	378.569	194.637	472.927
1916	328.558	212.563	379.876
1915	311.636	243.923	359.474
1914	320.433	253.688	366.224
1913	320.595	242.288	367.924
1912	330.467	250.221	387.215

N.B. The revenues and expenditures for 1935 and 1934 are based on the budgets and those for the preceding years on the actual, established figures.

1 To show the devaluation of the yen, this adjusted amount has been determined by dividing the actual amount by the index of wholesale commodity prices as established by the Bank of Japan.

IMPORTANT LAWS AND IMPERIAL ORDINANCES RECENTLY PROMULGATED

PRIME MINISTER'S CABINET

Law Concerning Health Centres

(Law No. 42; promulgated April 5, 1937)

This Law is designed to govern health centres which will be set up throughout the country by local authorities. The Central Government will subsidize prefectural governments to the extent of up to one-half of the actual expenses incurred. The health centres as provided by this Law will become headquarters for health service through which people may be made truly health conscious, and through which full information and guidance on how to keep fit will be issued. In this way hygienic rules in matters of food, clothing and housing may more and more be observed. The date of enforcement of the Law will be announced by an Imperial Ordinance.

Law Amending the Law Concerning the Organization of the Nippon Musen Denshin Kabushiki Kaisha

(Japan Wireless Telegraph Co., Ltd.)

(Law No. 44, promulgated April 5, 1937)

The Nihon Musen Denshin Kabushiki Kaisha (Japan Wireless Telegraph Company, Limited), a semi-official corporation, was organized to install wireless telegraphic apparatus and other necessary equipment, and, in return for payment, to place these at the service of the Government. This company has functioned successfully. Yet, in view of the rapid progress of the times, and the changes in the international situation, a reorganization of Japan's wireless telegraphic and telephonic services, as well as her cable connections with foreign countries, has keenly been felt necessary. This new Law, amending the previous measure, has been enacted to make possible the merging of the Japan Wireless Telegraph Company, Limited and the Japan Wireless Telephone Company, Limited, and the forming of a single corporation with the name Kokusai Denki Tsushin Kabushiki Kaisha (International Electric Communication Company, Limited). If necessity arises, the new company will, in the future, operate cable services also.

The date of enforcement of the Law will be announced by an Imperial Ordinance.

Law Concerning the Small Transport Business

(Law No. 45, promulgated April 5, 1937)

Law Concerning the Nippon Tsuun Kabushiki Kaisha (Japan Transport Co., Ltd.)

(Law No. 46, promulgated April 5, 1937)

The Law Concerning the Small Transport Business has been enacted to ensure the sound development of small transportation companies on the one hand, and to increase the benefits to their clients on the other. This Law stipulates that small transport businesses be licensed. Thus, the competent Minister of State shall authorize proposed changes in freight rates, the discontinuance or suspension of business, and other important, relevant measures. The competent Minister shall also be empowered to issue orders regarding freight rates and additional important matters which involve public utility. The date of enforcement of the Law will be announced by an Imperial Ordinance.

In connection with the Law mentioned above, another Law has been enacted to organize the Nippon Tsuun Kabushiki Kaisha (Japan Transport Company, Limited), a semi-official corporation capitalized at 35,000,000 yen, of which one-half can be subscribed by the Government. The new company, which will be placed under special governmental control, will handle not only all business relating to the settlement of credits and debts incurred by small forwarding agents in conducting their businesses, and the adjustment of and guarantee for receipt of goods shipped, but will also enter the small transportation business and similar enterprises itself.

Imperial Ordinance Concerning the Exemption of Iron Importations from Import Duty

(Imperial Ordinance No. 130, promulgated April 15, 1937)

This Imperial Ordinance was promulgated under Paragraph 1 of Article VIII* of the Imperial Constitution as an emergency measure to exempt iron imports (exclusive of special steel) from import duty until March 31, 1938.

Imperial Ordinance Amending the Regulations Concerning the Textile Excise

(Imperial Ordinance No. 164, promulgated May 1, 1937)

This Imperial Ordinance has been promulgated in order to exempt textiles manufactured from staple fibre from the excise which has hitherto been imposed on such textiles, according to the rate applied to silk fabrics. The

*An Imperial Ordinance enacted under this Article of the Imperial Constitution has full force and effect as law, and is commonly called an Emergency Imperial Ordinance. Accordingly, such an Ordinance may amend, rescind or supplement existing laws.

present exemption is due to the necessity for encouraging home production of staple fibre and popularizing its use, since it is not expensive in comparison with other fibres used as raw materials for textiles which are now exempted from excise.

Imperial Ordinance Concerning the Investigation of Data on the Index of the Cost of Living

(Imperial Ordinance No. 183, promulgated May 8, 1937)

This Imperial Ordinance has been promulgated for the purpose of conducting field investigations in collecting necessary statistical data for compiling the index for the cost of living of workers, which data is indispensable as the basic information necessary in formulating national policies to cope efficiently with changes in the economic situation. This Ordinance provides for the collection of necessary data on the 16th of each month, beginning with July, 1937. It also provides for the method of collection to be employed.

Imperial Ordinance Amending Provisions Concerning Seaports which Conduct Inspection of Plants for Import and Export as Stipulated in Imperial Ordinance No. 220 of the Third Year of Taisho 1914

(Imperial Ordinance No. 184, promulgated May 8, 1937)

All fruits imported from foreign countries or Japan's territories overseas have hitherto been brought in without inspection. The exceptions to this statement have been citrus fruits from abroad, apples from the Kwantung Leased Territory and Manchoukuo, and Citrullus vulgaris from Formosa and the South Sea Islands. However, because of the danger of the spreading of various harmful bacilli through the increase in fruit imports, the new Imperial Ordinance provides for inspection of fruit from abroad with the exception of pineapples, apples from Korea, and fruits of Musaceae, Solanacae, Leguminosae, Fagaceae and various kinds of Cucurbitaceae. Fruits of Citrullus vulgaris, Cucumis Melo L. and Cucumis Melo L. var. Makuwa., although belonging to the family of Cucurbitaceae must continue to be inspected. Cucumis Melo L. from the South Sea Islands have hitherto been prohibited, but with the present Ordinance this ban has been lifted, and they may be imported subject to inspection at ports of entry. The new Ordinance stipulates for revisions of Imperial Ordinance No. 220 of 1914 which will facilitate inspection of imported fruits at the designated ports of entry.